

BEFORE THE OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION OF  
SOUTHWEST ROYALTIES, INC. FOR AUTHORIZATION  
TO INJECT THE JULIE COM WELL #1, SEC. 17,  
TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

SEP 1 1992

OIL CONSERVATION DIVISION

CASE NO. 10559

PRE-HEARING STATEMENT

This prehearing statement is submitted by Yates Petroleum Corporation as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Southwest Royalties, Inc.

ATTORNEY

Paul A. Cooter  
Rodey, Dickason, Sloan, Akin  
& Robb, P.A.  
P. O. Box 1357  
Santa Fe, NM 87504-1357

OPPOSITION OR OTHER PARTY

Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, NM 88210

ATTORNEY

Ernest L. Carroll  
Losee, Carson, Haas  
& Carroll, P. A.  
P. O. Drawer 239  
Artesia, NM 88211-0239

STATEMENT OF CASE

APPLICANT

See Pre-hearing Statement of Southwest Royalties, Inc.

OPPOSITION

Yates Petroleum Corporation objects to Southwest Royalties, Inc.'s Application for salt water disposal.

PROPOSED EVIDENCE

APPLICANT

See Pre-hearing Statement of Southwest Royalties, Inc.

OPPOSITION

POTENTIAL WITNESSES

D'Nese Fly, Geologist  
Dave Boneau, Engineer

YATES PETROLEUM CORPORATION

By: Dean B. Carroll for  
Ernest L. Carroll  
LOSEE, CARSON, HAAS & CARROLL, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239  
(505) 746-3505

Attorneys for Yates Petroleum Corp.

I hereby certify that I caused to be  
mailed a true and correct copy of the  
foregoing to all counsel of record  
this September 11, 1992.

Dean B. Carroll for  
Ernest L. Carroll

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
SOUTHWEST ROYALTIES, INC., FOR SALT  
WATER DISPOSAL, EDDY COUNTY, NEW  
MEXICO

CASE NO. 10559

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Southwest Royalties, Inc.

**APPEARANCE OF PARTIES**

**APPLICANT**

Southwest Royalties, Inc.  
P.O. Box 11390  
Midland, Texas 79702-8390

**ATTORNEY**

Paul A. Cooter  
Rodey, Dickason, Sloan, Akin & Robb, P.A.  
Post Office Box 1357  
Santa Fe, New Mexico 87504-1357  
Tel. 505/984-0100

**STATEMENT OF THE CASE**

**APPLICANT**

Southwest Royalties, Inc. seeks authority to re-enter the previously plugged and abandoned Conoco, Inc. Julie Com Well Number 1 located 1980 feet from the North line and 990 feet from the East line (Unit "H") of Section 17, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and utilize that well to dispose of produced salt water into the Abo Formation through the perforated interval from approximately 4000 feet to 5000 feet beneath the surface. That well is approximately 6-1/2 miles NW of Seven Rivers, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT**

<b>WITNESS</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
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Gary Hendricks	45 minutes	(1) Map that identifies all wells and leases within two miles of the proposed injection well with a one-half mile radius circle drawn around that well, which identifies the well's area of review
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**WITNESS****EST. TIME    EXHIBITS (Continued)**

- (2) Proposed re-entry and conversion to injection procedure with schematics of the current status and proposed completion of that injection well and the Oil Conservation Division's Sundry Notice and Report on Well (Form C-103) filed by Conoco, Inc. on the plugging and abandonment of that well
- (3) (Duplicate)
- (4) (Duplicate)
- (5) Plat showing current producing wells off-setting the proposed injection well with current, average monthly production
- (6) Plat showing cumulative production wells off-setting the proposed injection well with current, average monthly production
- (7) Table showing casing and cementing data on all wells off-setting the proposed injection well
- (8) Log of the Dagger Draw Number 1 Well showing the proposed Abo injection zone
- (9) Plat showing the location of Yates Petroleum's disposal wells in Sections 3 and 10, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, with the cumulative production of the off-setting wells
- (10) Log of Yates Petroleum's Donahue Federal Number 1 Well, its salt water disposal well in Section 10
- (11) Tabulation of the salt water disposed by Yates Petroleum in its Bate-Federal Number 1 Well, its salt water disposal well in Section 3
- (12) Tabulation of the salt water disposed by Yates Petroleum in its Donahue Federal Number 1 Well, its salt water disposal well in Section 10

**WITNESS****EST. TIME EXHIBITS (Continued)**

- (13) Chemical analysis of the fresh water from the well located approximately 1½-2 miles SW of Southwest Royalties, Inc. proposed salt water disposal well

Richard Masterson 10 minutes None known at this time

Jon Tate 10 minutes (14) Salt water disposal agreement between Howard Howell and Betty Howell, his wife, grantors, and Southwest Royalties, Inc., operator

**PROCEDURAL MATTERS**

None known at this time.

Respectfully submitted:

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

  
By: \_\_\_\_\_

Paul A. Cooter  
Post Office Box 1357  
Santa Fe, New Mexico 87504-1357  
Telephone: (505) 984-0100

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION

RECEIVED

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

SEP 1 1992

OIL CONSERVATION DIVISION

APPLICATION OF SOUTHWEST ROYALTIES,  
INC. FOR SALT WATER DISPOSAL, EDDY  
COUNTY, NEW MEXICO.

CASE NO. 10559

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO INC.  
as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

APPLICANT

Southwest Royalties, Inc.  
407 North Big Spring  
Midland, Texas 79701  
Attn: Mr. Jon Tate

ATTORNEY

Paul Cooter, Esq  
P. O. Box 1357  
Santa Fe, New Mexico 87501  
(505) 984-0100

OPPOSITION OR OTHER PARTY

CONOCO INC.  
10 Desta Drive West  
Midland, TX 79702  
ATTN: Jerry Hoover

ATTORNEY

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**STATEMENT OF CASE**

APPLICANT

SEE APPLICANT FILING

OPPOSITION OR OTHER PARTY

Conoco, Inc. (Conoco) is opposed to Southwest Royalties, Inc. seeking to dispose of water produced from the Cisco Formation into an interval that they have designated as the Abo Formation.

The designated interval for disposal identified by Southwest Royalties as the Abo Formation would be more appropriately designated as the Bone Spring. The Bone Spring as it moves into the Delaware Basin is hydrocarbon productive, but has not been tested at this location yet.

Therefore, disposal in this interval has the potential of either being a poor disposal zone or of damaging possible hydrocarbon producing zones.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
SEE APPLICANT FILING		

OPPOSITION

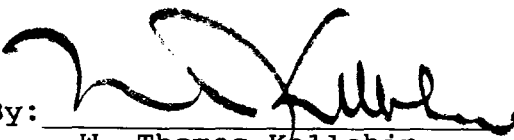
WITNESSES	EST. TIME	EXHIBITS
Bill Hardie Geologist	45 min.	Approx. 3

Pre-Hearing Statement  
Case No. 10559  
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**PROCEDURAL MATTERS**

None at this time.

KELLAHIN and KELLAHIN

By: 

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(505) 982-4285  
ATTORNEYS FOR CONOCO INC.